

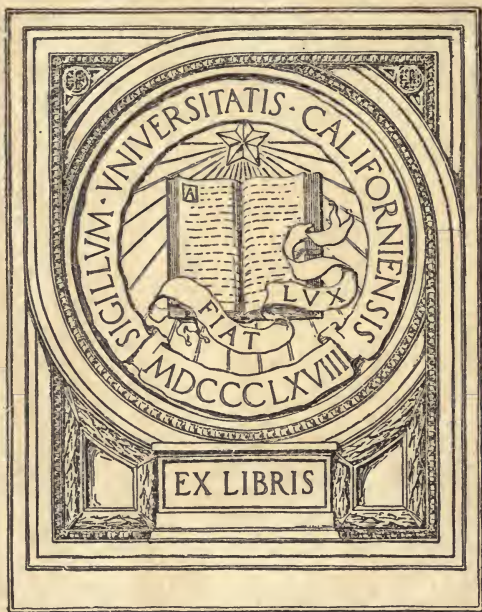
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Knox. The Monroe doctrine

Emilio R. Vaz



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THE MONROE DOCTRINE AND SOME INCIDENTAL OBLIGA-
TIONS IN THE ZONE OF THE CARIBBEAN

ADDRESS

OF

HON. PHILANDER C. KNOX

BEFORE THE

NEW YORK STATE BAR ASSOCIATION

NEW YORK, N. Y., JANUARY 19, 1912

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Unión Panamericana
Washington, D. C.

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THE MONROE DOCTRINE AND SOME INCIDENTAL OBLIGATIONS IN THE ZONE OF THE CARIBBEAN.

Gentlemen:

When I was invited to address this distinguished gathering of lawyers, I was very glad to act on the suggestion that I speak to you on the subject of the two highly important conventions now awaiting the advice and consent of the Senate as the coordinate branch of the executive treaty-making power. I refer to the conventions negotiated during the year just passed between the United States and Honduras and between the United States and Nicaragua, both with the object of assisting those two Republics to work out their own best interests and to achieve prosperity through their own efforts.

Before commending to your attention these two conventions I wish to make clear the important fact in their favor that they respond to, and indeed actually evidence, one element of a policy initially adopted by us for our guidance in international affairs almost a century ago, and since then repeatedly announced and carried out by successive administrations of all political shades and beliefs. Involving thus a question of international policy, the conventions deserve the more attention because of their relations to the abstract principles of international law.

Contiguous countries, or those approximate by reason of being parts of one of the earth's great geographical subdivisions, sustain natural and inevitable relations toward each other, out of which arise certain political correlations to be asserted from time to time as the safety, welfare, and progress of the group as a whole, or that of

its members, may require. One of these relations involves the necessity of being mindful of the activities of other states and the preservation among them of an existing stable status, "whether," as Phillimore says, "by preventing the aggressions and conquests of any one power, or by taking care that, out of the new order of things produced by internal revolutions, no existing power acquires an aggrandizement that may menace the liberties of the rest of the world".

This relation and the necessities arising out of it are doubtless as old as human government and seem certainly to have become an avowed and conscious policy so soon as there existed in the world great states in rivalry for supremacy. For example, Hiero, King of Syracuse, though an ally of Rome, sent aid to Carthage during the war of the Auxiliaries; and Polybius asserts that the King justified his course as necessary---

"both in order to retain his dominions in Sicily, and to preserve the Roman friendship, that Carthage should be safe; lest by its fall the remaining power should be able, without let or hindrance, to execute every purpose and undertaking".

Modern nations have found it necessary to invoke and enforce the same principle, and our own Government very early in its history adopted it when it pronounced the Monroe Doctrine, the first assertion of which was based on purely selfish motives, namely, that this country's safety and peace depended upon the exclusion of American soil as a field for further European colonization.

The founders of our Government (observers of the strifes, turmoils, and rivalry among the countries of Europe) very early saw, in their providential wisdom, the necessity for creating and maintaining upon this

hemisphere a status which should not threaten the existence or political stability of this nation. As early as 1793 Jefferson indicated in an instruction to the American Minister to Spain his apprehensions over the further acquisition of territory on this continent by European powers.

A few years later, in 1801, Mr. King, then Minister to England, reported that in an interview with Lord Hawkesbury he had indicated that the United States were "contented that the Floridas remain in the hands of Spain, but should not be willing to see them transferred, except to ourselves". In 1808 President Jefferson, writing to Governor Claiborne, of Louisiana, asserted that---

"We shall be well satisfied to see Cuba and Mexico remain in their present dependence; but very unwilling to see them in that of either France or England, politically or com-

mercially. We consider their interests and ours as the same, and that the object of both must be to exclude all European influence from this hemisphere".

Three years later President Madison sent to Congress a secret message regarding the occupation of the Floridas, in response to which Congress, in secret session, passed on January 15, 1811, a resolution which recited that---

"Taking into view the peculiar situation of Spain, and of her American provinces; and considering the influence which the destiny of the territory adjoining the southern border of the United States may have upon their security, tranquillity, and commerce," resolved,

"That the United States, under the peculiar circumstances of the

existing crisis, can not, without serious inquietude, see any part of the said territory pass into the hands of any foreign power; and that a due regard to their own safety compels them to provide, under certain contingencies, for the temporary occupation of the said territory, * * * .!!

These few antecedents show how clearly this principle was understood by and how vividly its importance was impressed upon the founders of our Government and how early they consciously adopted it in order to secure so far as possible from outside pressure the preservation of the Union. Moreover, even European countries not only recognized the principle itself as among themselves, but also its application to the existing political conditions in the Americas. In the correspondence between Mr. Rush and Mr. Canning, as a result of which at least in part

President Monroe made his announcement, Mr. Canning in a letter to Mr. Rush under date of August 20, 1823, in speaking of the Spanish efforts to recover control of her colonies, stated the following propositions:

"1. We conceive the recovery of the colonies by Spain to be hopeless.

* * * * *

"4. We aim not at the possession of any portion of them ourselves.

"5. We could not see any portion of them transferred to any other power with indifference. * * *

"If there be any European power which cherishes other projects, which looks to a forcible enterprise for reducing the colonies to subjugation, on behalf of or in the name of Spain, or which meditates the acquisition of any part of them to itself, by cession

or by conquest, such a declaration on the part of your government and ours would be at once the most effectual and the least offensive mode of intimating our joint disapprobation of such projects."

The first positive pronouncement, from which has grown, in the lapse of fruitful years, the great body of precept and precedent which is to-day called the Monroe Doctrine, is found in President Monroe's annual message of 1823, in which he stated that---

"The occasion has been judged proper for asserting as a principle in which the rights and interests of the United States are involved, that the American continents by the free and independent condition which they have assumed and maintained are henceforth not to be considered as subject for future colonization by any European powers".

This statement was designed as a politic declaration, made to fit a specific "occasion", namely, the claim of Russia, under the ukase of 1821, to exclude all alien commerce and industry from the coasts and waters of north-western America down to the fifty-first parallel. John Quincy Adams, then Secretary of State, resisted this avid claim on the ground that no Russian settlement existed on the territory, to which the United States laid equal claim, and on July 17, 1823, more than five months before President Monroe's message, Mr. Adams gave notice to the Russian envoy to the effect that the flaw in the Russian contention could not be cured by making settlements, as an afterthought, to prop up an unjustified claim of title. What Mr. Adams said was---

"that we [the United States] should contest the right of Russia to any territorial establishment on this con-

continent, and that we should assume distinctly the principle that the American continents are no longer subjects for any new European colonial establishments".

It was this categorical declaration that Monroe embodied in his message, with the verbal change that the original "settlements", which under Mr. Adams's pen became "territorial establishments" and "colonial establishments", was altered to "future colonization". Thus amended, the Adams caveat, directed specifically at the Russian claim, became in time merged in the Monroe Doctrine proper and, a generation later, played its part in the negotiation of the Central American and Clayton-Bulwer treaties with Great Britain as a question of fact, resting on the assertion that the continent was "occupied by civilized independent nations" and was "accessible to Europeans and each other on that footing alone".

The Monroe Doctrine proper, as enunciated in a different part of the celebrated message of 1823, was much more far-reaching. It was called forth by the menace of a combination of European powers with the purpose of interference in the political affairs of the recently enfranchised American republics, whose sovereign existence had been acknowledged by the United States but not then by Europe. This movement, an outgrowth of the Holy Alliance of 1815 and originally confined to Europe as a league for protecting the principle of legitimacy as against revolution, for upholding the divine right of kings as opposed to the rights of the people, was extended, in the summer of 1823, to embrace intervention, in behalf of Spanish sovereignty, in America. France proposed to Great Britain that when the allies should have accomplished their task of restoring the Spanish Throne, they

should propose a congress with the view to the termination of the revolutionary governments in Spanish America; but England looked upon this proposal with disfavor, and Canning, late in the summer of 1823, sounded the United States as to the possibility of the two Governments taking a joint position against interference by the allies in Latin America. The opinion of Jefferson that---

"Our first and fundamental maxim should be never to entangle ourselves in the broils of Europe; our second, never to suffer Europe to intermeddle with cis-Atlantic affairs"--- was echoed by Monroe's advisers. The suggestion of joint action with Great Britain was not favored, but the coincidence of British policy with our own was not unwelcome. England, indeed, took the initiative in October, 1823, by declaring that, while

neutral as to the contest between Spain and her American colonies, the "junction" of any foreign power with Spain against the colonies would be viewed as constituting "entirely a new question upon which Great Britain must take such decision as her interests required". The Canning declaration was potential and was soon rendered specifically effective by the utterance of Monroe; the fact that the two great maritime Powers were moving in parallels toward the enunciation of a vital principle made impracticable the accomplishment of any project of American interference by the allies, and they were not slow to realize the force of Monroe's announcements when he said:

"We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to

extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any European power, we have not interfered and shall not interfere. But with the governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them or controlling in any other manner their destiny, by any European power, in any other light than as the manifestation of an unfriendly disposition toward the United States."

Like all general formulations of great principles the Monroe Doctrine has required interpretation and construction to apply its precepts to special cases.

It was understood at the outset by the newly enfranchised Latin-American States as a defensive movement in their favor, rather than as a step taken by the United States in its own interest and for its own self-defense. In 1825 the southern republics proposed to convene a congress at Panama to form an alliance of all the independent American States for self-defense and to settle some principle of public law to govern their relation with each other. One of the measures scheduled for discussion was:

"To take into consideration the means of making effectual the declaration of the President of the United States respecting any ulterior design of a foreign power to colonize any portion of this continent, and also the means of resisting all interference from abroad with the domestic concerns of the American Governments."

It thus appears that the Spanish-American States understood the Monroe Doctrine to import a definite pledge by the United States to them of mutual support in its maintenance and to involve joining with them in some kind of specific alliance, offensive and defensive, for that purpose. The Senate responded to the proposal for a congress by confirming two commissioners, for whose expenses the Congress appropriated means; but one of them died, the other reached Panama too late to take part in the first session, and no second session was ever held.

In 1848 President Polk saw occasion for an expansive construction of the Monroe Doctrine. An Indian rising in Yucatan led the local authorities to offer their dominion and sovereignty to the United States, and, perhaps on the principle of having more than one string to their bow, to make a like offer to England and Spain. Commenting on this offer, Mr. Polk said:

"According to our established policy, we could not consent to a transfer of this 'dominion and sovereignty' to either Spain, Great Britain, or any other European power. In the language of President Monroe, in his message of December, 1823, 'we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.'"

In this message Polk practically repeated what he had said in 1845 in connection with the Oregon boundary question and the annexation of Texas, when he deemed---

"that it should be distinctly announced to the world as our settled policy, that no future European colony or dominion shall, with our consent, be planted or established on any part of the North American continent".

Thus, President Polk merged the "non-colonization" declaration of Mr. Adams in the case of the Russian claim with the true Monroe Doctrine of political noninterference.

This combined doctrine found early application in the case of Cuba. As early as in President Jackson's time it was intimated by us to Spain "that if she would not cede Cuba to any European power we would assist her in maintaining possession of it". As Secretary of State, Daniel Webster took occasion to revive this phase of the broadened doctrine by serving notice in 1851 upon Great Britain, in view of a proposed tripartite engagement between France, Great Britain, and Spain to guarantee the Spanish retention of Cuba, that---

"it has always been declared to Spain that the Government of the United States could not be expected to acquiesce in the cession of Cuba to an European power".

Thenceforth, through the period of the Ostend manifesto and the time when Mr. Marcy was Secretary of State, and Cuban annexation to the United States was discussed, Cuba passed on to independence and finally to its present position of great potential well-being, securely bulwarked, by definite stipulations, from ever again becoming an issue under the Monroe Doctrine. To-day no great liveliness of imagination is needed to conjecture, in retrospect, whither the Pearl of the Antilles might have drifted but for the part taken by the United States in securing Cuba for the Cubans.

The Monroe Doctrine also came perilously near being brought into direct play when, during our Civil War, Spain made an attempt to regain Santo Domingo through an illegal arrangement with its President for the time being. The scheme was abortive, but the causes which

prompted it survived, and the Dominican Republic continued to suffer from impotent misrule, financial default, and civil perturbation. Conspicuously an easy prey to any aggression from abroad, it sought the formal protection of the United States, which was declined. It then voluntarily sought annexation, which was accepted and a treaty to that end was negotiated but never consummated. In sending the treaty to the Senate, President Grant said:

"The doctrine promulgated by President Monroe has been adhered to by all political parties, and I now deem it proper to assert the equally important principle that hereafter no territory on this continent shall be regarded as subject of transfer to a European power. * * *

"The acquisition of San Domingo is an adherence to the 'Mon-

roe Doctrine'; it is a measure of national protection."

We thus see President Grant ready to agree to annexation if the alternative bid fair to be the stultification of our long-asserted right and duty of self-preservation against adverse influences being set up through un-American domination at our doors.

To illustrate how the self-preservation features of the Monroe Doctrine have been espoused and lived up to by all of our national administrations, whatever their party allegiance or political creed, as well as to show the association between the instinct of self-preservation and the idea of aiding our neighbors to guard themselves against invasive alien influences from which, in the end, we ourselves should suffer, the Venezuelan episode of 1895 may be pertinently cited. On its face, the issue between Venezuela and Great Britain was merely one of

determining an undefined boundary line; in its essence, it appeared to involve the setting up of expanded colonial domination by Great Britain over a large part of the historical territory of Venezuela. The dispute lasted nearly half a century. Mr. Evarts, Mr. Frelinghuysen, and Mr. Bayard successively urged upon Great Britain the acceptance of the arbitration asked by Venezuela. Mr. Blaine followed in 1889, after Barima, at the mouth of the Orinoco, had been proclaimed a British port. When Mr. Cleveland assumed office, Mr. Olney renewed the appeal for arbitration with the alternative of conventional agreement upon a definite boundary. In February, 1895, Congress, by joint resolution, approved the President's recommendation of arbitration. On July 20, 1895, Mr. Olney addressed to Ambassador Bayard an instruction which has become one of the famous papers of our diplomatic annals. He

asserted that the right of one nation to intervene in a controversy to which other nations are directly parties may be availed of "whenever what is done or proposed by any of the parties primarily concerned is a serious and direct menace to its own integrity, tranquillity, or welfare".

He elaborately analyzed the history and scope of the doctrine of Monroe, especially dwelling upon its noncolonization declaration, deducing "that the Venezuelan boundary dispute is in any view far within the scope and spirit of the rule as uniformly accepted and acted upon". He was careful not to link himself to the cause of either disputant. To quote only very briefly, he said that the United States "being entitled to resent and resist any sequestration of Venezuelan soil by Great Britain, it is necessarily entitled to know whether such sequestration has occurred or is now going on".

Mr. Olney's conclusion was that it appeared to be the unmistakable and imperative duty of the President to ask "for a definite decision upon the point whether Great Britain will consent or will decline to submit the Venezuelan boundary question in its entirety to impartial arbitration".

The dispute was eventually and happily ended by arbitration.

It was at this period of the development of the doctrine and in this very controversy that a new suggestion was made, in negative form, to the effect that if the Government of the United States had the rights which it claimed, it must take them *cum onere* and so assume certain obligations and responsibilities. This was indicated by Lord Salisbury in answer to Mr. Olney's able presentation of the doctrine in the statement that---

"It is admitted that he [President Monroe] did not seek to assert a pro-

tectorate over Mexico or the states of Central and South America. Such a claim would have imposed upon the United States the duty of answering for the conduct of these states, and consequently the responsibility of controlling it. * * * It follows of necessity that if the Government of the United States will not control the conduct of these communities, neither can it undertake to protect them from the consequences attaching to any misconduct of which they may be guilty towards other nations".

In this relation I am disposed to emphasize the fact that our course in the Venezuelan incident, apart from obeying the instinct of self-preservation, was distinctly and mainly responsive to the appeal of Venezuela and in the direction of lending a helpful hand to a suffering neighbor to enable a

just determination of her asserted claim of right. So far as Venezuela was concerned we imposed no burden upon that then feeble State; we simply assisted it to throw off a burden. It was surely zeal in the defense of a sister Republic and unaffected consciousness that our power was for beneficent use which called from Mr. Olney these vigorous words:

"To-day the United States is practically sovereign on this continent and its fiat is law upon the subjects to which it confines its interposition."

The spirit behind these words contemplated, I am sure, no arbitrary exercise of sheer power, but a determined zeal in magnanimous consideration for the rights of other American Republics, a sincere sympathy with them in their trials, an insistence upon the right, that good might come to them and

that our own vital interests should not be menaced.

It goes almost without saying that, from aiding an embarrassed neighbor in doing the right, or in defending a right, to assuming vicarious responsibility for his wrongdoing, is a far cry. Between these two extremes, as between all extremes, there lies a median zone where they touch or even overlap. That is the case when the question arises how far, in a given situation, this nation may go in helping another American people to avert any injurious consequences of wrongdoing.

In principle it is not the duty of the United States to prevent a foreign state from seeking redress, or to shoulder the wrong and assume its redress ourselves. But it is equally obvious that the measures to which a foreign state might ordinarily resort to enforce its claim might amount to political

interference in the affairs of the American continents, as by occupation and administration of territory, or like extreme coercive steps. That is a contingency which the tenets of the doctrine, joined to the dictates of common prudence, authorize and counsel us to avert by all proper means, in fulfillment of a responsibility we owe to ourselves, even if not in the discharge of any conventional or moral obligation.

The point was well considered in President Roosevelt's annual message of 1905. He examined it in its tortious and contractual aspects. As to the former, he said:

"If a republic to the south of us commits a tort against a foreign nation, such as an outrage against a citizen of that nation, then the Monroe Doctrine does not force us to interfere to prevent punishment of the tort, save to see that the punishment

does not assume the form of territorial occupation in any shape."

As to the latter aspect, he said:

"On the one hand, this country would certainly decline to go to war to prevent a foreign government from collecting a just debt; on the other hand, it is very inadvisable to permit any foreign power to take possession, even temporarily, of the custom-houses of an American Republic in order to enforce the payment of its obligations; for such temporary occupation might turn into a permanent occupation."

And upon both propositions he reached the conclusion that---

"The only escape from these alternatives may at any time be that we must ourselves undertake to bring about some arrangement by which so

much as possible of a just obligation shall be paid. It is far better that this country should put through such an arrangement, rather than allow any foreign country to undertake it".

My distinguished predecessor, Mr. Root, voiced the same views in a speech made in 1904 at the annual dinner of the New England Society:

"And if we are to maintain this doctrine [the declaration of Monroe], which is vital to our national life and safety, at the same time when we say to the other powers of the world, 'You shall not push your remedies for wrong against these republics to the point of occupying their territory,' we are bound to say that whenever the wrong can not be otherwise redressed we ourselves will see that it is redressed."

These, gentlemen, constitute the more important announcements, with the elements involved therein, which have been made during our past history, and whatever particular phase of the Monroe Doctrine you may choose to emphasize, it appears to me evident that there is one certain deduction from the premises, and that is that the best way to avoid the difficulties occasionally arising out of any responsibilities which this doctrine in certain of its aspects may seem to impose is to assist the less fortunate American Republics in conducting their own affairs in such a way that those difficulties should not be liable to arise. The most effective way to escape the logical consequences of the Monroe Doctrine is to help them to help themselves. Assuming the correctness of Mr. Root's corollary, it is our duty, to ourselves and to them, to cooperate in preventing, where possible, specific conditions where we

might have to become in too great a measure accountable. We diminish our responsibilities in proportion as we bring about improved conditions. Like an insurance risk, our risk decreases as the conditions to which it pertains are improved.

I most confidently assert that, under the Monroe Doctrine in its ultimate analysis, the heaviest and most matter-of-fact responsibility that to-day rests upon the United States is that we should respond to the needs still felt by some few of our Latin-American neighbors in their progress toward good government, by assisting them to meet their just obligations and to keep out of trouble. We wish to see them prosper, and their prosperity, by reflex action, is felt not only by us but by all the members of the American family.

The proposition is not novel; it has been practically wrought into shape and

proved successful in the experimental case of Santo Domingo, which, as we have seen, had begun to cause us concern so long ago as the time of our Civil War. The success of the Dominican arrangement has been so brilliant that I mention it at some length as the best possible guaranty of the good effects to be expected from the Nicaragua and Honduras conventions, which are similar in principle but necessitate an even less direct interposition on the part of the United States.

In 1904 the Dominican Republic presented a situation which threatened to lead to the gravest consequences so far as the United States was concerned. For years the country had been torn by internal dissension and revolutions until the instability of the so-called Government had become a byword and the credit of the nation had been reduced to such a condition that

usurious rates of interest were demanded and obtained by those who were willing to furnish the tottering Republic with funds. It was also customary for the lenders of money to demand as security for the payment of interest and principal the hypothecation of the revenues of the various sea-ports of the country until at length the Dominican people found themselves in a position where practically the revenues of every port in the Republic were pledged for the payment of debts. There were no funds left wherewith to maintain the Government, the total revenues from imports and exports had for years been insufficient to meet even the interest on the outstanding indebtedness, and the people of the island had been brought face to face with national bankruptcy.

In this posture of affairs the creditors of the nation, who were for the greater part Europeans, had become clamorous for the

payment of arrears of interest and for the enforcement of the pledges of the revenues of the various ports of the country, which pledges it had been found necessary to violate if funds were to be had for the General Government. Protocols of the settlement of the various debts had been signed with Germany, Spain, and Italy two years previously with the terms of which it had been impossible for the Dominican Republic to comply, and the creditors had decided to invoke the aid of their Governments in the collection of what they claimed to be their due. An Italian warship was actually dispatched to Dominican waters for the enforcement of the agreements with Italian subjects. The Monroe Doctrine, indeed, seemed menaced and the Dominican Government appealed to the Government of the United States for assistance in its extremity.

This appeal for assistance led, as you know, to a plan of adjustment whereby the customhouses of the Republic were to be placed in the hands of American officials and a portion of the receipts thereof was to be held on deposit in New York for the benefit of all creditors alike. It is also a matter of history that subsequently an equitable adjustment was had with the creditors, the debt was refunded, and a convention between this Government and that of the Dominican Republic was negotiated whereby the collection and administration of the customs revenues of the Republic were placed in the hands of American officials, who were to receive from the United States "such protection as it may find to be requisite. * * *"

An adequate provision for the service of the debt was made, and a new order of things thus began and has continued ever since.

The result of the operations of this ar-

rangement has been that the creditors now punctually receive their interest, and there is at present turned over to the Dominican Government for the purposes of defraying its current expenses an amount far in excess of what the total revenues of the Republic had previously been. Since the American management of the customs has existed it has been found possible to reduce the import tariff by approximately one-half, notwithstanding which the import duties have increased from one million eight hundred thousand dollars in 1904 to over three million three hundred thousand in 1911, while the total foreign trade of the Republic has grown from about six millions to over seventeen millions of dollars in the same period, and the annual harvest of revolutions is no longer gathered and military expenses which formerly depleted the treasury have been reduced to a minimum.

The problem presented by affairs in the Dominican Republic in 1904 has now become a reality in Honduras and Nicaragua, and those Republics have sought the interposition of the United States.

The situation is, briefly, this:

Practically from the outset the Republics of Central America, especially Honduras and Nicaragua, have been often torn with internal dissension and overrun with revolutions. In Honduras and Nicaragua these ills are still prevalent. Beset with strife these less fortunate Republics, although endowed by Providence with vast natural resources, have never been permitted to progress towards a normal and economic development. Early in their existence as independent States they found their treasuries depleted and their resources squandered in futile attempts to suppress internal disorder, and as a natural result they have been continuously

compelled to borrow at exorbitant rates of interest from those willing to incur the disproportionate risk of lending them the moneys necessary for the temporary conduct of government, with the result that they now find themselves hopelessly entangled in the mesh of enormous and rapidly increasing national indebtedness. Their revenues have never been properly applied so as to meet the ever-increasing demands of their national creditors.

Because of the difficulty of communication in these countries the customhouses have ever been the objective point of the revolutionists and successive contests for their control have marked the national existence. Once having lost control of the customhouses and the revenues derived therefrom, the constituted authorities have found themselves confronted with a lack of funds and have ultimately been deprived of the means necessary to defend the capitals.

Control of the customhouses once obtained, it becomes necessary for the successful revolutionists to expend enormous sums, practically the entire national revenue, in the maintenance of an army adequate to continue them in control. Under such circumstances the payment of the interest on the national debt has been out of the question, and such governments fall into a state of hopeless default which deprives them of any further foreign credit.

Honduras and Nicaragua alike occupy a central position stretching from the Caribbean to the Pacific and separating the other Central American Republics. In Central America there are many rivalries as between the heads of the five Republics, but there has seldom been an open breach between them which has resulted in an international war. Rather than seek a direct means of redressing their grievances it has been found

far more effective and less dangerous than open hostility for the president seeking to injure his neighbor to institute and set on foot a revolution of political malcontents against the government. For years the revolutions and internal commotions of several of these republics have been caused by their neighbors who have taken advantage of their position to harbor political refugees from their neighbors and aid or permit them to foster a hostile movement against their native republic, which is fomented in security without the borders of the country at whose government it is aimed, and which is then permitted to cross the international line at some convenient location, thence to contend for supremacy.

Honduras, because it borders on three of the other Republics, Guatemala, Salvador, and Nicaragua, has for years been the hotbed of most of the internal disturbances

of its neighbors, and in fact has been the cockpit of Central America. So great has been the abuse of the undefended central position occupied by Honduras that as long ago as 1907 all the Republics of Central America joined in a peace conference and signed at Washington, under our auspices, a convention one article of which had for an object the neutralization of the territory of that Republic so as to prevent its further use as a center of disturbance.

Under such conditions the Republics of Honduras and Nicaragua came to seek the counsel and assistance of the United States.

Provided the enormous waste on military establishments could be checked, the customs revenues of both these countries, properly administered, should be ample to meet the interest and sinking fund on their just national obligations, and it is in order to establish a system for the accomplishment of

this end that the present conventions have been framed.

It may be asked, What are the provisions of the two practically identical treaties as drawn for the purpose of curing the evils of the situation as already set forth?

The preambles of the two conventions point to the recognized and urgent necessity, in each case, of laying the foundation for more effective helpfulness on the part of the United States in assisting the Republics of Nicaragua and Honduras to the rehabilitation of their respective finances and in thus making possible the maintenance of peace and prosperity in the two countries, and they recite the fact that the active aid of this Government has been requested to this end. Then follow the four articles of the conventions. These include some eight points and I shall try briefly to epitomize them, roughly indicating the objects of the different provisions.

In order to avoid the danger of further embarrassment with foreign creditors, the conventions provide (first) that a loan shall be placed in the United States; in order to provide that the bankers' contracts, which it will be necessary to negotiate to work out the details of their financial problems, may be equitable and just, and also that they may be properly executed, it is provided (second) that the Signatory Governments shall take due note of the terms and shall consult in case of any difficulties. That the loan may be properly secured, the conventions stipulate (third) that the customs duties shall be pledged; that this security may be adequate and may not be interfered with, it is agreed (fourth) that the customs duties shall not be changed without the consent of the Government of the United States. To assure the proper collection and administration of the customs by a competent

person, it is provided (fifth) that a receiver-general of customs shall be appointed by the Government of the country concerned from a list of names prepared by the fiscal agent of the contemplated loan and approved by the President of the United States. To insure the proper discharge of the duties of the receiver-general of customs, it is agreed (sixth) that he shall be under obligation to report annually, and upon request, to both parties to the conventions. In order that he may effectively, conscientiously, and independently perform his functions, and to prevent customs houses continuing to be the goal of revolutionists, it is stipulated (seventh) that the Government of the country concerned will protect him, and (eighth) that the Government of the United States shall afford him such protection as it may deem requisite, there being thus obtained just so much assurance of stable conditions

and proper customs collections as will enable Nicaragua and Honduras to borrow the money necessary to rehabilitate their national finances at anything like a reasonable rate of interest.

I wish to call especial attention to the fact that in the Dominican Republic just this potential safeguard, unexercised and without any undue interference on the part of the United States, has cured almost century-old evils, and to ask you to judge these conventions in the light of the plain facts.

There has been a good deal of confusion of ideas in regard to the relation of the conventions to banking arrangements for the rehabilitation of Honduran and Nicaraguan finances. The conventions themselves are quite separate from any bankers' contracts. They may be ratified and put in force as between the Governments concerned, but they remain purely potential unless and until

bankers' contracts are negotiated which are deemed acceptable by both Governments, and, in the case of the Governments of Nicaragua and Honduras, which would be direct parties to the contracts, approved by their legislative assemblies. The sole desire of the Department of State has been that Nicaragua and Honduras make the best contracts that are possible under the conditions and it is gratifying that American bankers have been able to undertake the business.

The Government of Nicaragua has already approved the convention and, to relieve its urgent and pressing necessities, has placed a preliminary loan in the United States and engaged American citizens---one as financial adviser, two as claims commissioners, one as collector-general of customs, and one as assistant collector-general of customs---and in this way has laid a foundation for its financial regeneration. This,

however, is merely a temporary expedient, and what has been done must be lost and the bright prospect destroyed unless the convention, upon which the future important and permanent improvements depend, is ratified by the United States.

If these conventions are put into operation what has happened in the Dominican Republic will be repeated in the Republics of Nicaragua and Honduras, which are the key to the peace of the whole of Central America, and within a few years the revolutions which keep these countries in a state of constant unrest will be eliminated; the neutrality of Honduras and Nicaragua in Central American affairs will become an accomplished fact; and the peace of the rest of Central America will be immensely strengthened.

These conventions, as I have said, are not a new experiment; in principle they have

been tried and it has been found that they produce results beneficial to the debtor and creditor alike. Instead of producing foreign entanglements they have precisely the opposite effect because they do away with the present discontent and clamor of foreign creditors, because they insure prosperity, and because they make for peace.

Alone, these countries find it impossible to extricate themselves from the thralldom of civil strife, and they quite naturally look to their more prosperous and powerful neighbor for aid and guidance. Shall we refuse it any more than we refused to heed the cry of Cuba or that of the Dominican Republic?

With the Monroe Doctrine as a tenet of our national faith can we refuse to these Republics that measure of assistance which will render their Governments stable and keep them from foreign interference? These are the questions involved in these treaties which

are now pending before the United States Senate.

The adoption of the present conventions is counseled not only by the humanitarian motive of preventing useless bloodshed (hundreds of lives having already been saved by the Dominican arrangement) and by the ever-increasing important political reason of avoiding the danger of European entanglement in the affairs of the countries surrounding the Caribbean, but is also more than justified from a purely material standpoint. In 1909 the total foreign trade of the Central American States, including Panama, amounted to approximately \$60,000,000, of which about one-half was with the United States. When we consider that the total commerce between Mexico and the United States is in the neighborhood of \$117,000,000 we can realize in some degree the trade possibilities with the Isthmian Republics, especially

if it be understood that under the arrangement between the United States and the Dominican Republic the trade with that country has increased since 1903 (prior to the installation of American officials in the customhouses), when it was somewhat over \$4,000,000, to about \$11,500,000 for the year 1910, and that the share of the United States in the total foreign commerce of the Dominican Republic has materially increased in the same period.

Several of the republics of South America have grown great and powerful and enjoy the highest culture, fine political ideals, and stable governments. These republics, indeed, are, consciously or unconsciously, fellow sponsors with the United States of the Monroe Doctrine as a Pan-American idea as well as an American policy. The growth of such nations lightens our responsibility. The logic of political geography and

of strategy and now our tremendous national interest created by the Panama Canal make the safety, the peace, and the prosperity of Central America and the zone of the Caribbean of paramount interest to the Government of the United States. Thus, the malady of revolutions and financial collapse is most acute precisely in the region where it is most dangerous to us. It is here that we seek to apply a remedy.

It would not be sane to uphold a great policy like the Monroe Doctrine and to repudiate its necessary corollaries and neglect the sensible measures which reason dictates as its safeguards.

As practical measures of peace, as wise measures of policy, as useful instrumentalities for commercial expansion I firmly believe that the Nicaragua and Honduras conventions will commend themselves to all thoughtful American citizens.



